

## Message Text

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PAGE 01 STATE 275368

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FM SECSTATE WASHDC

TO AMEMBASSY PANAMA IMMEDIATE

C O N F I D E N T I A L STATE 275368

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: PANAMA CANAL TREATY NEGOTIATIONS--WASHINGTON  
ACTIVITIES

FOR MINISTER BELL AND LTG. DOLVIN FROM WYROUGH

----- I.

THIS IS MESSAGE NO. 4 FROM THE DEPARTMENT PERTAINING TO  
THE NOVEMBER NEGOTIATING ROUND.

----- II.

1. SPEECH BY VICE ADMIRAL MOORER: FOLLOWING IS REVISED  
TEXT OF SECTION IN MOORER SPEECH ON CANAL NEGOTIATIONS;  
WHICH I CLEARED THIS MORNING.

THE FUTURE OF THE PANAMA CANAL IS THE DOMINANT HEMISPHERIC  
ISSUE, THE SUCCESSFUL RESOLUTION OF WHICH IS IN THE U.S.  
INTEREST. IN FEBRUARY 1974, SECRETARY OF STATE KISSINGER  
AND FOREIGN MINISTER TACK OF PANAMA AGREED TO THE "EIGHT  
PRINCIPLES" WHICH PROVIDE THE GUIDELINES FOR DEVELOPING  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 275368

DETAILS OF A NEW TREATY. THEY PROVIDE THAT:

PANAMA WILL GRANT THE UNITED STATES THE RIGHTS, FACILITIES, AND LANDS NECESSARY TO CONTINUE OPERATING AND DEFENDING THE CANAL; AND

THE UNITED STATES WILL RETURN TO PANAMA JURISDICTION OVER ITS TERRITORY AND ARRANGE FOR PARTICIPATION BY PANAMA IN THE CANAL'S OPERATIONS AND DEFENSE.

WE HAVE ALSO AGREED IN THE "PRINCIPLES" THAT THE TREATY WILL PROVIDE FOR ANY EXPANSION OF CANAL CAPACITY IN PANAMA THAT MAY EVENTUALLY BE NEEDED, THAT PANAMA WILL RECEIVE A MORE EQUITABLE SHARE OF THE BENEFITS RESULTING FROM THE USE OF ITS GEOGRAPHICAL LOCATION, AND--LAST BUT NOT LEAST, THAT THE NEW TREATY SHALL NOT BE IN PERPETUITY, BUT FOR A FIXED PERIOD. USING THE STATEMENT OF PRINCIPLES AS A GUIDE, SIGNIFICANT AGREEMENTS HAVE BEEN ARRIVED AT RELATING TO JURISDICTION, CANAL OPERATION AND CANAL DEFENSE. SEVERAL AREAS STILL REQUIRE RESOLUTION: THEY ARE, AMONG OTHERS,

CANAL EXPANSION CAPABILITY,

SIZE AND LOCATION OF LANDS AND WATERS AREAS NEEDED FOR OPERATION AND DEFENSE OF THE CANAL, AND

TREATY DURATION.

IN THE CONTINUING NEGOTIATIONS, THE CHIEF U.S. NEGOTIATOR, AMBASSADOR BUNKER, IS STRIVING FOR SOME FORM OF PARTNERSHIP WITH PANAMA. THIS PARTNERSHIP WILL PRESERVE U.S. CANAL INTERESTS AND CONCURRENTLY PROVIDE PANAMA WITH A MEANINGFUL STAKE IN THE CANAL. IF THE TREATY IS CONCLUDED WITH THE "PRINCIPLES" AND AGREEMENTS TO DATE AS A BASIS, U.S. INTERESTS IN THE OPERATION AND DEFENSE OF THE CANAL SHOULD BE FULLY PROTECTED. TO ENSURE THAT THIS IS THE CASE, ANY TREATY AGREED UPON BY THE NEGOTIATORS WILL BE SUBJECT TO CLOSE SCRUTINY BY ALL INTERESTED WASHINGTON AGENCIES AND THE CONSTITUTIONAL PROCESS.

CONFIDENTIAL

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PAGE 03 STATE 275368

2. AMBASSADOR BUNKER'S SPEECH: CONFIRMING MY CONVERSATION WITH AMBASSADOR PRIOR TO HIS DEPARTURE, MR. HOWARD WILL BE BRINGING WITH HIM TO PANAMA A REVISED DRAFT OF THE LOS ANGELES SPEECH. I HAVE PROVIDED A COPY OF THE LATEST DRAFT TO CHARLIE HILL FOR HIS REVIEW

3. GEDDA ARTICLE: AS FAR AS WE ARE AWARE, GEDDA ARTICLE HAS NOT APPEARED AS YET IN U.S. PRESS.

4. CHIEFS OF MISSION CONFERENCE: STATE 273127 (EMBASSY HAS COPY) PROVIDES DRAFT SCHEDULE FOR NEXT WEEK'S CHIEFS OF MISSION CONFERENCE. SESSION MONDAY MORNING FROM 9:45 TO 11:00 "CONCEPTUAL UNDERPINNINGS OF US POLICY IN LATIN AMERICA" IS INTENDED TO INCLUDE COMMENT ON THE NEGOTIATIONS AND WILL BE LED BY ASSISTANT SECRETARY ROGERS. DECISION TO NOT INCLUDE SEPARATE SESSION ON NEGOTIATIONS BASED ON TIME CONSTRAINTS OF 2 1/2 DAY SCHEDULE.

5. DECISIONS AND DESIGNS: AS FOLLOW-UP TO EARLIER VISIT BY AMBASSADOR BUNKER, I MET TODAY WITH REPRESENTATIVES OF DECISIONS AND DESIGNS, A MCLEAN CONSULTING FIRM THAT OFFERS EXPERTISE IN ANALYTICAL DECISION MAKING.

6. SANDSTROM TDY: JOHN SANDSTROM BEGINS 2 WEEK TDY TODAY AT WHITE HOUSE IN CONNECTION WITH PRESIDENT'S FORTHCOMING CHINA VISIT. REQUEST WAS ON A "BY-NAME" BASIS.

7. ROGERS' CHICAGO SPEECH: ASSISTANT SECRETARY ROGERS' SPEECH IN CHICAGO 12/1 WILL BE MORE GENERAL THAN PANAMA. WE WILL WORK WITH PLC IN DRAFTING. KISSINGER

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